

HC Berenberg Europe ex UK Focus Fund

Summary

This disclosure is made by Joh. Berenberg, Gossler & Co. KG (the "Investment Manager") on behalf of the HC Berenberg Europe ex UK Focus Fund (the "Fund") – a sub-fund of Harrington Cooper UCITS Funds ICAV - pursuant to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("SFDR").

The Fund promotes environmental (e.g., mitigating climate change and reducing pollution) and social characteristics (e.g., improving working conditions, health and safety) through the application of its investment strategy. The Investment Manager's investment approach to achieve the Fund's ESG characteristics encompasses the following elements:

- ESG exclusions
- ESG risk and opportunity analysis
- Active ownership

The Investment Manager carries out this evaluation using data and information from a variety of sources, including regular active engagement with company management, company publications, research from external data providers, Business Involvement Screenings, and other sources.

Does this Fund have a sustainable investment objective?

No sustainable investments targeted.

What environmental or social characteristic does the Fund promote?

This Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation.

Environmental and social characteristics are taken into consideration when making investment decisions, including for example mitigating climate change and reducing pollution in the area of environmental, as well as improving working conditions, health and safety in the area of social.

Description of the investment strategy of the Fund

The Fund aims to achieve long-term value growth with due regard to socially and environmentally responsible investment criteria. Investments are made in securities that comply with the Investment Manager's ESG Exclusion Criteria.

Furthermore, ESG factors are integrated into investment decisions in order to ensure efficient risk management and to generate a sustainable, long-term return.

As part of the ESG exclusion process, investments which are associated with certain products or activities are excluded. ESG risks and opportunities are considered when making investment decisions and throughout the holding period. ESG analyses are performed as part of the portfolio review process:

- Monitoring of each individual stock with respect to various ESG issues including ESG controversies and business involvement,
- Regular critical-constructive dialogue with the company's management team,
- Early identification of issues that could raise ethical questions and potential risks, as well as trends and opportunities arising from ESG issues.

Using a combination of internal ESG analyses as well as external data, (including research from external data providers such as MSCI ESG Research, which includes ESG reports on companies, overviews and assessments of controversies, Business Involvement Screenings which include assessments of companies' direct and indirect revenue exposures to specific products and services) qualitative and quantitative assessments are created based on the sources described above, leading to an investment decision. Relevant ESG issues are openly discussed or monitored within the investment team and in dialogue with the Investment Manager's ESG team.

Another part of the ESG integration and analysis is the Investment Manager's work in the area of active ownership whereby, the Investment Manager attempts to exert a positive influence on companies in regards to their handling of ESG aspects.

Based on the Investment Manager's voting policy in respect of the Fund, the Investment Manager will make recommendations to the Manager for voting at general shareholder meetings of investee companies. The Manager takes these recommendations into account when exercising voting rights.

The sustainability indicators described above to measure the achievement of the Fund's environmental and/or social characteristics are the mandatory elements of the Fund's investment strategy.

Good corporate governance practices of the companies invested in will be assessed based on the following elements of the investment strategy:

- Application of norm-based ESG exclusion criteria and monitoring of ESG controversies,
- Engagement with portfolio companies directly involved in severe ESG controversies,
- ESG analysis,
- Submission of recommendations to the Manager for voting at general meetings of portfolio companies.

Proportion of investments

The asset allocation of the Fund and the extent to which it may take direct or indirect risk positions vis-à-vis companies can be found in the investment guidelines. Investments are made primarily in standard stocks and in high-growth small-caps and mid-caps. The Fund intends to invest a minimum of 51% of the Fund's assets in investments which attain the environmental and social characteristics promoted by the Fund. The remaining 49% of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.

Description of how the Environmental or Social characteristics are monitored

The attainment of the promoted environmental and social characteristics is monitored, among other things, by system-side checks for compliance with the binding elements of the investment strategy.

Methodologies

As part of the ESG exclusion process, companies are excluded on the basis of activity- and norm-based exclusion criteria. In the event of severe ESG controversies, the portfolio management engages directly with the company. The attainment of the promoted environmental and social characteristics is measured through regular automated checks on compliance with the binding elements of the investment strategy and with sustainability indicators based on these binding elements.

Description of data sources and how they are used

MSCI ESG Research and RepRisk data is used to achieve the environmental and social characteristics promoted by the asset management strategy.

Description of the limitations of the methodology and data

There may be limitations on the retrieval of data from data providers such as MSCI ESG and RepRisk due to their lack of coverage in the universe for certain companies, data errors, or methodological shortcomings.

Due diligence

Effective arrangements are taken by defining and applying written policies and procedures to ensure that investment decisions taken on behalf of the Fund are consistent with its objectives, the investment strategy and, as applicable, the risk limits.

Engagement policies

Part of the ESG integration and analysis within the asset management strategy is the Investment Manager's work in the area of active ownership. This includes, among other things, so-called engagement and the provision of recommendations for voting at general shareholder meetings of investee companies.

Does the Fund use an external benchmark to measure the achievement of its sustainability characteristics?

The fund does not currently use an index as a benchmark to determine whether the strategy is aligned with the promoted environmental and/or social characteristics.

Does this Fund have a sustainable investment objective?

No, this financial product promotes environmental or social characteristics but does not target sustainable investments.

What environmental or social characteristic does the Fund promote?

This Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation.

Environmental and social characteristics are taken into consideration when making investment decisions, including for example mitigating climate change and reducing pollution in the area of environmental, as well as improving working conditions, health and safety in the area of social. The Fund promotes environmental and social characteristics through the application of exclusion criteria which as of the date of this disclosure includes excluding the following from the investment universe based on pre-defined thresholds: conventional, controversial, and nuclear weapons, thermal coal mining, coal-fired power generation, nuclear power, unconventional oil and gas, tobacco products and ESG controversies.

A reference benchmark has not been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Fund.

Description of the investment strategy of the Fund

The Fund aims to achieve long-term value growth with due regard to socially and environmentally responsible investment criteria. Investments are made in securities that comply with the Investment Manager's ESG Exclusion Criteria. Furthermore, ESG factors are integrated into investment decisions in order to ensure efficient risk management and to generate a sustainable, long-term return.

As part of the ESG exclusion process, investments which are associated with certain products or activities are excluded. ESG risks and opportunities are considered when making investment decisions and throughout the holding period. ESG analyses are performed as part of the portfolio review process:

- Monitoring of each individual stock with respect to various ESG issues including ESG controversies and business involvement,
- Regular critical-constructive dialogue with the company's management team,
- Early identification of issues that could raise ethical questions and potential risks, as well as trends and opportunities arising from ESG issues.

Qualitative and quantitative ESG data, from both bottom-up and top-down perspectives, are combined. This data can be retrieved from the following sources:

- Regular active engagement and detailed exchange with company management,
- Company publications (e.g. sustainability reports) and independently commissioned studies,
- Expert opinions from industry experts as well as assessments of media reports and other publicly accessible sources,
- Research from external data providers, including ESG reports on companies, overviews and assessments of controversies, Business Involvement Screenings, and others.

Using a combination of internal ESG analyses as well as external data, (including research from external data providers such as MSCI ESG Research, which includes ESG reports on companies, overviews and assessments of controversies, Business Involvement Screenings which include assessments of companies' direct and indirect revenue exposures to specific products and services) qualitative and quantitative assessments are created based on the sources described above, leading to an investment decision. Relevant ESG issues are openly discussed or monitored within the investment team and in dialogue with the Investment Manager's ESG Office.

Another part of the ESG integration and analysis is the Investment Manager's work in the area of active ownership whereby, the Investment Manager attempts to exert a positive influence on companies in regards to their handling of ESG aspects. This includes, among other things, so-called engagement (i.e., direct dialogue with companies on specific ESG aspects). Existing and/or potential ESG controversies and other ESG-relevant aspects are addressed in a structured engagement process. Based on this engagement, the Investment Manager can determine whether a company/issuer acknowledges existent and/or potential problems and whether it is developing strategies both to solve these and to identify opportunities related to ESG/sustainability. Based on the Investment Manager's voting policy in respect of the Fund, the Investment Manager will make recommendations to the Manager for voting at general shareholder meetings of investee companies. The Manager takes these recommendations into account when exercising voting rights.

The sustainability indicators described above to measure the achievement of the Fund's environmental and/or social characteristics are the mandatory elements of the Fund's investment strategy.

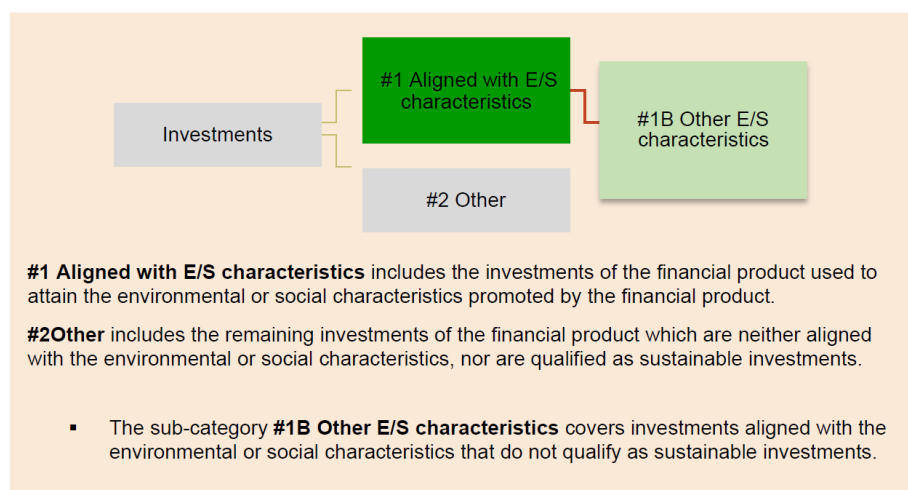
Good corporate governance practices of the companies invested in will be assessed based on the following elements of the investment strategy:

- Application of norm-based ESG exclusion criteria and monitoring of ESG controversies with the exclusion of companies directly involved in ongoing very severe ESG controversies, including on governance practices and compliance with international norms based on the Investment Manager's ESG Policy and ESG Exclusion Policy,
- Engagement with portfolio companies directly involved in severe ESG controversies based on the Investment Manager's Engagement Policy,
- ESG analysis based on internal research, exchanges with the companies, and data from external ESG data providers, covering, among others, governance practices,
- Submission of recommendations to the Manager for voting at general meetings of portfolio companies on the basis of the Investment Manager's Proxy Voting Policy.

Proportion of investments

The asset allocation of the Fund and the extent to which it may take direct or indirect risk positions vis-à-vis companies can be found in the investment guidelines. Investments are made primarily in standard stocks and in high-growth small-caps and mid-caps. The Fund intends to invest a minimum of 51% of the Fund's assets in investments which attain the environmental and social characteristics promoted by the Fund. To achieve this, the Fund's assets are invested in exchange-traded equities of European issuers excluding the United Kingdom of Great Britain and Northern Ireland. Invested equities are aligned with the Fund's environmental / social characteristics in accordance with the binding elements of the strategy.

The remaining 49% of the Fund's investments will be in investments which seek to achieve the broader objectives of the Fund including instruments for the purposes of efficient portfolio management, hedging and liquidity management purposes.



Derivatives are used in accordance with the provisions of the Supplement. Derivatives are neutral positions of the portfolio in line with the strategy and do not explicitly serve to achieve the Fund's environmental and/or social characteristics.

Description of how the Environmental or Social characteristics are monitored

The attainment of the promoted environmental and social characteristics is monitored, among other things, by system-side checks for compliance with the binding elements of the investment strategy. The evaluation is based on data from external data providers that are provided automatically in our systems. Underlying screens for this automated external data are defined and regularly reviewed by the Investment Manager's ESG Office.

The internal control of this monitoring and the underlying regulatory classification is carried out by the Investment Manager's Portfolio Management, ESG Office, Compliance and Internal Audit, among others.

Methodologies

As part of the ESG exclusion process, companies are excluded on the basis of activity- and norm-based exclusion criteria. The Investment Manager's ESG exclusion criteria represent a minimum standard that companies must meet in order to be investable for the portfolio. Among others, companies which are directly involved in ongoing very severe ESG controversies are identified and fundamentally excluded from investments. In the event of severe ESG controversies, the portfolio

management engages directly with the company, in the case of both existing holdings and potential new investments, in order to analyse the controversy with the company and to make a final investment decision on this basis.

The attainment of the promoted environmental and social characteristics is measured through regular automated checks on compliance with the binding elements of the investment strategy and with sustainability indicators based on these binding elements.

Description of data sources and how they are used

To attain the environmental and social characteristics promoted by the asset management strategy, the following data sources are used:

- Exclusions and controversy monitoring based on data provided by MSCI ESG Research.
- ESG opportunity and risk analysis is based on internal research, exchanges with the companies, and data from external ESG data providers including MSCI ESG Research and further, such as RepRisk.

To ensure data quality and to process data, the following measures are taken:

- A due diligence is being performed as part of the data procurement process when selecting data providers by subject matter and technical experts, incl. evaluation of portfolio and benchmark universe coverage, review of providers' underlying models and frameworks, comparison of provider data with internal analysis and assessments,
- Furthermore, an engagement with data provider will take place in case of material changes to underlying data and/or data concerns,
- An automatic integration of provider data feeds into internal systems for portfolio management and monitoring purposes,
- Internal assessment and analysis of controversy data,
- As part of the ESG opportunity and risk analysis relevant data/ information from internal research is aggregated, exchanged with the companies, and validated with data from external ESG data providers.

Estimated figures may be required e.g., in case of non-existent corporate disclosure and may be directly sourced from data providers. As coverage and methodologies changes and further develops, a proportion of data that is estimated cannot be given.

Description of the limitations of the methodology and data

There may be limitations on the retrieval of data from data providers such as MSCI ESG and RepRisk due to their lack of coverage in the universe for certain companies, data errors, or methodological shortcomings. However, internal ESG analysis which includes in-depth checking on environmental and social characteristics and potential further direct engagements with companies to retrieve information, reduces the impact of such limitations on meeting the environmental and social characteristics that the asset management strategy promotes.

Due diligence

In addition to reviewing legal and contractual requirements as well as analysing financial metrics, the environmental and social characteristics of portfolio positions are taken into account depending on the ESG elements implemented in the asset management strategy.

The Investment Manager's ESG exclusion criteria represent a minimum standard that companies must meet in order to be investable for the portfolio. The compliance with the Investment Manager's ESG exclusion criteria is monitored, among other things, by system-side checks for compliance. The evaluation is based on data from external data providers that are provided automatically in our systems. Underlying screens for this automated external data are defined and regularly reviewed by the Investment Manager's ESG Office. The ESG exclusion criteria are determined by the ESG Committee, which forms the Investment Manager's ESG governance and oversight body within its Wealth and Asset Management division and is composed of Wealth and Asset Management members and executives.

In the event of severe ESG controversies as identified by the ESG controversy analysis of our external ESG data provider, the portfolio management engages directly with the company, in the case of both existing holdings and potential new investments, in order to analyse the controversy with the company and to make a final investment decision on this basis. Existent and/or potential ESG controversies and other ESG-relevant aspects are addressed in a structured engagement process. Based on this engagement, the portfolio management can determine whether a company/issuer acknowledges existent and/or potential problems and whether it is developing strategies both to solve these and to identify opportunities related to ESG/sustainability.

The ESG opportunity and risk analysis is based on internal research, exchanges with the companies, and data from external ESG data providers. Relevant ESG issues are openly discussed or monitored within the investment team and in dialogue with the Investment Manager's ESG Office. Based on a bottom-up approach, exclusion criteria are applied, and industry-relevant ESG criteria are analysed in a basic evaluation process to determine a sustainability profile of companies. In addition to ESG compliance, long-term profitability remains the decisive selection factor.

A due diligence is being performed as part of the data procurement process when selecting data providers by subject matter and technical experts, incl. evaluation of portfolio and benchmark universe coverage, review of providers' underlying models and frameworks, comparison of provider data with internal analysis and assessments. An engagement with the data provider will take place in case of material changes to underlying data and/or data concerns.

Engagement policies

Part of the ESG integration and analysis within the investment strategy is the Investment Manager's work in the area of active ownership; whereby, the Investment Manager attempts to exert a positive influence on companies in regards to their handling of ESG aspects. This includes, among other things, so-called engagement (i.e., direct dialogue with companies on specific ESG aspects). Existent and/or potential ESG controversies and other ESG-relevant aspects are addressed in a structured engagement process. Based on this engagement, the portfolio management can determine whether a company/issuer acknowledges existent and/or potential problems and whether it is developing strategies both to solve these and to identify opportunities related to ESG/sustainability. Based on the Investment Manager's voting policy in respect of the Fund, the Investment Manager will make recommendations to the Manager for voting at general shareholder meetings of investee companies. The Manager takes these recommendations into account when exercising voting rights.

More detailed information on the Investment Manager's engagement approach can be found in its publicly available Investment Manager's Wealth and Asset Management Engagement Policy and the Investment Manager's Wealth and Asset Management Proxy Voting Policy.

Does the Fund use an external benchmark to measure the achievement of its sustainability characteristics?

The fund does not currently use an index as a benchmark to determine whether the strategy is aligned with the promoted environmental and/or social characteristics.